

## Message Text

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16

ORIGIN EUR-25

INFO OCT-01 ADP-00 AID-20 CIAE-00 COME-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 NSC-10 SS-15 STR-08 CEA-02 L-03

/137 R

DRAFTED BY EUR/CE:LHEICHLER:JLR

8/10/73 EXT. 22155

APPROVED BY EUR/CE:JSSUTTERLIN

EB/IFD/OIA - MR. KENNEDY (SUBS)

EB/ORF/FSE - MR. BENNSKY (INFO)

----- 061610

R 102204Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY BONN

INFO USMISSION BERLIN

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

USMISSION BERLIN

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E.O. 11652: N/A

TAGS: US GW ECON

SUBJECT: PROPOSALS ON ASSETS FORMATION FOR GERMAN WORKERS

1. LEADING US CHEMICAL FIRM WHICH IS CONSIDERING SUBSTANTIAL DIRECT INVESTMENT FRG HAS APPROACHED DEPT RE VARIOUS SCHEMES REPORTEDLY NOW UNDER CONSIDERATION TO PROVIDE FOR ASSET FORMATION BY GERMAN EMPLOYEES. ONE SUCH PROPOSAL, FOR INSTANCE, WOULD REQUIRE COMPANY TO DEPOSIT SHARE OF PROFITS

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INTO EQUITY PARTICIPATION FUND SO THAT OVER 17-YEAR PERIOD

25 PERCENT OF OWNERSHIP WOULD PASS TO PLANT'S EMPLOYEES.  
COMPANY FEARS GRADUAL TRANSFER OF OWNERSHIP TO WORKERS AND  
REFERS TO SCHEME AS QUOTE CREEPING EXPROPRIATION UNQUOTE.

2. FOR COMPANY CONCERNED (AND PERHAPS OTHERS), THIS IS  
MAJOR FACTOR ENTERING INTO DECISION WHETHER TO GO AHEAD  
WITH ESTABLISHMENT GERMAN SUBSIDIARY. FIRM HAS ASKED DEPT  
TO ELICIT EMBASSY VIEWS AND JUDGMENT AS TO LIKELIHOOD IM-  
PLEMENTATION SUCH ASSET-FORMATION SCHEMES AND APPROXIMATE  
TIME-SPAN BEFORE THEY WOULD TAKE EFFECT.

3. AS DEVELOPMENT WHICH COULD SIGNIFICANTLY RESTRICT AND  
AFFECT AMERICAN INVESTMENT IN FRG, CONTEMPLATED ASSET FORMA-  
TION PROPOSALS ARE MATTER OF KEEN AND CONTINUING INTEREST  
TO US GOVERNMENT. DEPT WOULD APPRECIATE ANY ADDRESSEE  
COMMENTS RE ABOVE THAT COULD APPROPRIATELY BE PASSED TO  
INTERESTED COMPANIES ON CONFIDENTIAL BASIS. ROGERS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENTS, EMPLOYEE BENEFIT PLANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** hilburpw  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE158912  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** LHEICHLER:JLR  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1973/newtext/t19730844/aaaabgbe.tel  
**Line Count:** 78  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hilburpw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2001  
**Review Event:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSALS ON ASSETS FORMATION FOR GERMAN WORKERS  
**TAGS:** ECON, US, GE  
**To:** BONN  
**Type:** TE  
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